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The Coal Conflict: Utah's Fight with the Union Pacific Railroad

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THE COAL CONFLICT: UTAH'S FIGHT WITH THE
UNION PACIFIC RAILROAD

by

Michael Guy Bishop

Report No. 1 submitted in partial fulfillment
of the requirements for the degree

of

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Logan, Utah

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Michael Guy Bishop
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INTRODUCTION

The problem of an adequate fuel supply plagued the people of the Salt Lake Valley from the Mormons' earliest occupation of the region. The first type of fuel used in the area was timber from the surrounding mountains, but this proved to be insufficient to meet the demands of growing population. With the rapid increase in the number of homes and businesses in the Salt Lake area, a new source of fuel was needed. A universal feeling existed in the community that coal was the answer to its needs.

In the autumn of 1859 coal was discovered near the present-day town of Coalville, about fifty wagon-miles from Salt Lake City. The main deposits were on Chalk Creek in Summit County. Coal mines were opened immediately, and the coal was wagon-freighted to the fuel-short people of Salt Lake City and other Utah communities.¹ This early method of transporting the coal by wagon failed to provide sufficient fuel to meet all demands, and a better way was sought.

In the spring of 1869, at Promontory Summit in the Utah Territory, an event occurred which not only marked the completion of a great achievement for the United States, but appeared to be the answer to the Mormons fuel needs as well. On May 10 the Union Pacific Railroad and

the Central Pacific Railroad joined their tracks in a rather obscure ceremony at Promontory. Brigham Young, in his position as spiritual and temporal leader of the Mormons, saw this event as Providence's answer to the problem of shipping coal from the recently developed mines.

The line of the Union Pacific, on its way from Wyoming to Ogden passed just five miles north of the Coalville mines. Young calculated that if his people built a spur from their mines to connect with the Union Pacific track at Echo, coal could then be transshipped on the Union Pacific to Ogden. The Mormon leader had already instituted plans to build the thirty-six mile long Utah Central Railroad from Ogden to Salt Lake City, and he assumed that for a reasonable price the Union Pacific would freight the coal from Echo to Ogden and thus end the Mormons' fuel dilemma. However, as with many well-laid plans, obstacles soon appeared.

The Union Pacific had acquired some extensive coal deposits of their own in Wyoming and were realizing a nice profit from sales of the coal in other areas. They hoped to enter the Utah market, and were therefore reluctant to pass by the chance for some good income just to suit the purposes of Brigham Young. If the Union Pacific could not force the people of Utah to buy their coal, then they could at least dictate the quantity of competing coal to be shipped on their road. In their attempts to retain control of the Utah trade, either by selling their own coal or by limiting the shipment of Utah coal, the Union Pacific soon came to be viewed as a merciless monopoly by the people of Utah.
In order to circumvent the Union Pacific's stronghold on the coal trade, several Utah interests, Mormon and non-Mormon, tried to build their own railroads. For various reasons these attempts all failed to break the Union Pacific's monopoly. The people of the territory tended to blame the big company for all the failures, and cried that unscrupulous means had been used by the culprits. In retrospect however, it appears that many of the shortcomings suffered by the upstart railroad ventures were due to local problems as much as interference by the larger line. But whoever was to blame, one thing was apparent—the residents of Salt Lake City and surrounding areas paid the consequences.

This paper will assess the hardships suffered by these people and the various reasons for the fuel crisis that resulted from the conflicts over the control of the coal trade. It will be necessary to view the Union Pacific's interest in the trade, Mormon interest, and how each side worked to gain the upper hand. While several of the local attempts to build railroads will be considered, the main body of the paper will deal with the efforts to link Coalville and Echo in the early 1870's, and the more grandiose move to link Salt Lake City directly to the mines in the later part of that decade.
UNION PACIFIC COAL INTERESTS

Early Union Pacific Coal Interests

The Union Pacific acquired large coal properties in Wyoming under the terms of the Pacific Railroad Act which granted them all mineral claims along their right-of-way. Union Pacific construction supervisors were always on the lookout for coal deposits for two reasons. First of all, it required large amounts of fuel to keep their locomotives running, and timber was not to be found in abundance along much of the U. P. route, so coal was in high demand. Furthermore, coal offered something of commercial value to the Union Pacific to be reaped from the semi-barren land. In 1868, as the Union Pacific construction crews worked west from Cheyenne, Wyoming, they began to find traces of coal in surface deposits. In June of that year a vein of high-grade bituminous coal eight feet thick was discovered in a cut near Rock Creek, Wyoming. A short time later another large deposit was found near Benton.2

An Omaha banker named Edward Creighton contracted with the Union Pacific to mine the coal for them at $8.00 a ton. However, it was soon found that it was only costing Creighton a little more than $2.00 a ton to extract the coal, so the Union Pacific decided that a better arrangement could be made. They soon contracted two Missourians,

Thomas Wardell and Cyrus Godfrey, to prospect and mine coal along the U. P. right-of-way. The two men were to extract the coal at their own expense and then the railroad would purchase it for $6.00 a ton (a savings to the U. P. of $2.00 a ton over the previous contract). The railroad furnished spurs, switches and sidetracks, as well as rolling stock to transport the coal, and Godfrey and Wardell also received a 25 percent rebate for all coal they shipped on the Union Pacific line. 3

The Wyoming Coal and Mining Company

Within a few months of making this agreement, the Union Pacific again determined that they had been too generous. In the fall of 1868 they formed the Wyoming Coal and Mining Company. The Wyoming Coal and Mining Company was incorporated in January 1869, under the laws of the state of Nebraska. The capital stock at the time of incorporation was $500,000 divided into shares of $100 each. The Union Pacific's six directors held 90 percent of the stock in the new company. Thomas Wardell, who had earlier bought out his previous partner Godfrey, was appointed superintendent and general manager of the coal mining company—a position he held until March 1874, when the Union Pacific terminated his contract and took complete control of the company. 4

The Wyoming Coal and Mining Company's first coal town and mine was established in southeastern Wyoming at Carbon in 1868. Thomas Wardell was very instrumental in the building of Carbon and the development of the mine there. In 1869, over 6,500 tons of coal were extracted

3 Ibid., pp. 139-40.
4 Ibid., p. 140.
at Carbon.\textsuperscript{5} The Rock Springs mine was also in operation by 1869. While it produced only 365 tons of coal in that year, it soon was the largest of the Union Pacific's mines.\textsuperscript{6} The final important mine for the company during this period was at Almy, Wyoming, just west of Rock Springs. In 1869 the Almy mine produced 1,967 tons of coal; however, it was always faced with stiff competition from some mines in the same area owned by the Central Pacific Railroad.\textsuperscript{7} While the mines at Carbon and Rock Springs were located on the U.P.'s mainline, it was necessary to build a spur of approximately three miles from the Almy mines to a junction with the main road at Evanston.\textsuperscript{8}

After the Wyoming Coal and Mining Company and Wardell's contract had been abrogated in 1874, the Union Pacific formed its own coal department. The company then had a practical monopoly of the coal trade along its road. The Union Pacific's commercial coal policy was received with general dissatisfaction by persons living along the line. The freight charges on the coal of Union Pacific competitors was exorbitant from the moment the line was completed, as witnessed by these established rates in 1869:\textsuperscript{9}

\begin{itemize}
\item \textsuperscript{5} Union Pacific Coal Company, \textit{History of the Union Pacific Coal Mines 1868-1940} (Omaha: Colonial Press, 1940), p. 42.
\item \textsuperscript{6} Ibid., p. 47.
\item \textsuperscript{7} Ibid., p. 140.
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<td>Laramie</td>
<td>$6.50 per ton</td>
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<tr>
<td>Ogden</td>
<td>$6.50 per ton</td>
<td>$10.00 per ton</td>
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Thus, high freight rates gave Mormons sufficient cause to develop their own coal industry. However, the Mormons hoped to develop their coal resources for various other reasons as well.
MORMON INTEREST IN COAL

The "Iron Mission"

Shortly after the Mormons entered the Salt Lake Valley, Brigham Young began to take steps to make them self-sufficient. Due to the remoteness of their settlements and a desire to avoid contact with the outside if possible, Young soon sought out avenues for home industries. In 1849-50, Parley P. Pratt found evidence of coal and iron deposits in southern Utah. Iron was of great value to the Mormons, not only for their own needs, but it also offered the opportunity to manufacture numerous export commodities. Later in 1850, Pratt introduced a bill into the legislature for the creation of Iron County in the region of the largest findings, and Young then called for volunteers to the "Iron Mission." In December of 1850, 120 men, 30 women and 18 children under the direction of George A. Smith moved southward to populate the new county. They founded the town of Parowan for the base of their operations.10

The Deseret Iron Company was soon formed to expedite the iron manufacturing in the area. At first the local people were baffled by the intricacies of iron production, but with the help of recent

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converts from England the situation soon improved.\textsuperscript{11} By the summer of 1852, the first production of pig-iron west of the Mississippi had been achieved.\textsuperscript{12}

The furnaces for the iron production required a large amount of fuel to meet the required high temperatures, and since the coal found in the area was of poor quality and insufficient quantity, the furnaces often had to be run on timber. The expense and manpower involved in providing this type of fuel was prohibitive and the fortunes of the new enterprise hinged on securing a better supply of fuel.\textsuperscript{13}

This lack of fuel and other production problems caused some of those sent to the "mission" to petition Brigham Young for release from the calling. However, Young strongly desired the project to succeed and admonished them to stay with it. The legislature provided financial assistance and the production soon increased. Perseverance prevailed and by 1855 iron production was in full operation.\textsuperscript{14} However, due to a flood, an Indian uprising, and most significantly to the lack of fuel, by 1857 the ambitious experiment passed into the category of temporary failure—with an investment loss exceeding $150,000.\textsuperscript{15}

Fuel was not just a problem to the people of the Iron Mission, but to the various businesses of Salt Lake City as well. The pre-railroad

\textsuperscript{11} Andrew L. Neff, History of Utah (Salt Lake City: Deseret News Press, 1940), pp. 303-305.

\textsuperscript{12} Larson, "Bulwark of the Kingdom: Utah's Iron and Steel Industry," p. 250.

\textsuperscript{13} Neff, History of Utah, p. 306.

\textsuperscript{14} Ibid., p. 309.

\textsuperscript{15} Ibid., p. 310.
transportation difficulties with Coalville coal had caused the legislature in 1854 to offer $100 for the discovery of a coal vein within forty miles radius of Salt Lake City. 16

Mining in the Salt Lake Valley and Surrounding Areas

The demand for coal in the valley was rapidly growing by the mid-1860's as mining and ore-production increased in the area. Copper was being produced as early as 1865, and the first iron works in Salt Lake City were built by W. L. Silver in 1866. The mining of copper ore in appreciable amounts began in the Tintic District in 1869 with the coming of the railroad. By 1870 smaller amounts of copper were being mined in Big and Little Cottonwood Canyons. 17

Many Salt Lake area residents were soon involved in the smelting industry in the valley. In June of 1870, the Woodhull brothers built a smelting furnace eight miles south of Salt Lake City. The next month another smelter was constructed by Badger State Smelting Works in the same area. By the winter of 1870-71, furnaces had been built in East Canyon by the Jones and Raymond Company, and numerous furnaces had been built in Big and Little Cottonwood Canyons, Bingham Canyon and American Fork. By the spring of 1871 there were sixteen furnaces in the area. 18

16 Kate B. Carter, Mining in the West (Salt Lake City: Daughters of the Utah Pioneers, 1939), p. 2.


By 1872 there were twenty-one smelters in the entire territory, most of them in the Salt Lake Valley.\textsuperscript{19}

In addition to these mining activities and associated businesses, there were saw and grist mills, leather and textile industries and machine shops, along with private homes and other commercial enterprises which required the use of fuel. The development of these industries, and the coming of the railroad brought a flood of "Gentiles" into the area and a great rivalry arose between these newcomers and the Mormons.

To all these businessmen, Mormon and Gentile, coal had taken on a very important role. A large supply of coal at reasonable prices was essential to their interests. The earliest Utah attempt to enter the coal trade was initiated in 1869 by Brigham Young as he started his project to link the mines of Coalville to the Union Pacific mainline. While this undertaking was twice-attempted and once-successful, it was significant as the first local attempt at railroad construction for the sole purpose of obtaining coal.

\textsuperscript{19}Bentham Fabian, \textit{The Resources of Utah with Statistics for the Year 1872} (Salt Lake City: Salt Lake Tribune Printing and Publishing Company, 1873), pp. 15-16.
COALVILLE AND ECHO RAILROAD AND THE
SUMMIT COUNTY RAILROAD

The Coalville and Echo Railroad

Brigham Young felt that the construction of a branch line from the Coalville mines to Echo would not only facilitate the movement of coal in large quantities to Salt Lake City, but would also promote local industry and return a reasonable profit to those who invested in the project. For these reasons, Young encouraged Bishop W. W. Cluff of Coalville to organize the members of the Summit County Ward to construct a narrow-gauge railroad from Echo to Coalville.20 As with most Mormon enterprises of this period, the road was to be constructed on the co-operative plan, whereby the local people would donate labor in return for stock in the new railroad.

The Coalville and Echo Railroad was incorporated in October, 1869 with a capital stock of $250,000. The board of directors was composed of church leaders from Summit County with Bishop Cluff acting as president.21 The proposed route was to run from Echo, Weber Canyon, to Coalville and then to the various mines in the area—a total distance of approximately five miles.

20 Reeder, "Utah's Railroads," p. 320.

By the end of 1869 nearly all the grading had been completed, most of the ties had been procured and plans were made for laying the tracks when good weather came in the spring. The apparent success of the project up to that time caused the *Deseret News* to proclaim that the road "will enable the residents of Salt Lake and adjacent counties to procure their fuel at reasonable rates."\(^{22}\)

The track for the Coalville and Echo Railroad was supposed to be furnished by the Union Pacific, which was supplying the Utah Central at the same time. However, the Union Pacific only supplied enough iron to lay tracks for the Utah Central. Mormon authorities then decided that the coal from the Rock Springs mine was of superior quality and could be easily obtained from the Union Pacific at Ogden, so they abandoned the whole project of the spur from Coalville. How much pressure, if any, was applied by the Union Pacific interests to reach this decision is unknown, but at any rate the people of Summit County never received any compensation for the many months of devoted work they put into the railroad. Such amounts of coal as were shipped out of Coalville during the next two years went by wagon either to the Union Pacific line at Echo or all the way to Salt Lake City.\(^ {23}\) While the project was not permanently abandoned by the church, they were forced to wait until a greater need arose and more funds were available.

Following the withdrawal of the Coalville mines as a possible competitor, the Union Pacific began to enjoy the fruits of its monopoly.

\(^{22}\) *Deseret News*, 21 October 1869.

The Coalville deposits had been the only other coal available to the Utah Territory. The Union Pacific not only had the prerogative to set the prices on their own coal, but were able to dictate the freight rates on the meager amount that was transshipped on their line after being wagon-freighted to Echo from the Summit County mines. They took full advantage of this monopoly by raising their freight rates after the Utah Central was completed and thereby kept the price in Salt Lake City at near the previously high rate.24

To the people of the capital city the Union Pacific rapidly took on the image of the "grasping monopolist" with no regard for the rights of the people. Coal prices soared and citizens of modest means began to fear the approaching winter months. While the Mormon mines at Coalville desired to supply the residents of Salt Lake City with reasonably priced fuel, the high short-haul rates from Echo to Ogden, which the U. P. instituted, prevented this.25

The Summit County Railroad

Under these circumstances, Brigham Young decided again to try the railroad project in Summit County. Bishop Cluff, recently returned from a mission to Scandanavia, was again called to supervise the construction. A new corporation was chartered in November, 1871, called the Summit County Railroad. The capital stock for the venture was $660,000, which was considerably more than the ill-fated Coalville and

24 Ibid., p. 325.
25 Ibid., p. 325.
Echo Railroad started with. 26 The principal stockholder and president of the corporation was Brigham Young's son, Joseph A. Young. Other stockholders included Bishop Cluff, F. A. Mitchell, Charles and George Crismon and nine Mormon mine-owners from the Coalville area. The plans called for a narrow-gauge railroad from the Echo Station to the mines at Coalville, then on to the silver mining district in Park City—a distance of approximately twenty-six miles. 27 It was hoped that the line would eventually be linked to Salt Lake City from Park City.

Construction on the section from Coalville to Echo began early in 1872. Much of the grade work had been done on the previous venture, so the roadbed work proceeded very smoothly. However, W. W. Riter, who Joseph A. Young had appointed as purchasing agent had trouble securing iron for the rails and none arrived until it was too late in the year to begin laying track. Consequently, the residents of Salt Lake City suffered a severe coal shortage during the winter of 1872-73. 28

In the spring, iron was obtained for the rails, and by April the tracks had been laid from Echo to Coalville. On June 15, the feeder lines were completed to the mines and operations began in full. Due to improved organization at the mines, and the completion of the new railroad, Mormon officials pronounced the entire enterprise to be


"already a success." 29 Ironically, however, the coal was still hauled from the Coalville mines to a coal dump at Echo for subsequent transshipment on the Union Pacific to Ogden. Although the new railroad greatly benefited Coalville's economy by allowing a much greater quantity of coal to be shipped from there, it really served no good toward lowering the fuel prices in Salt Lake City. The Summit County Railroad had "failed to free the citizens from the clutches of the Union Pacific" according to the general consensus of the people of Salt Lake City. 30

The Union Pacific was reluctant to lose control of the lucrative Salt Lake City coal market, and so refused to recognise the Summit County Railroad as a "feeder" line to its own track. Instead the U. P. officials countered the new railroad by hiking their short-haul rates from Echo to Ogden to even higher levels. 31

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29 The Herald, 17 August 1873.
30 Arrington, "Coal Road," p. 41.
OTHER ATTEMPTS TO BUILD LOCAL RAILROADS, 1873-74

The Salt Lake and Echo Railroad

Due to the fuel shortage and a common belief that the Union Pacific had perpetuated the entire problem so they could sell at "outrageous prices,"32 a second attempt was made to link Salt Lake City and the Summit County mines. This ill-fated undertaking was expected to tie the coal dump at Echo directly to the capital city and avoid shipping on the Union Pacific altogether.

On January 25, 1873, ten men each subscribed to stock in the newly-formed Salt Lake and Echo Railroad. The railroad was to be a narrow-gauge line running directly to Coalville from the capital city, and then joined to Echo. For reasons which were never explained in any of the Salt Lake newspapers, the plans of the company were never realized and no construction of any consequence was undertaken.33 In yet another attempt to break the U. P. stranglehold on the coal trade, two more railroads—one Mormon and one non-Mormon—were chartered in 1874.

32 Salt Lake Tribune, 26 November 1872.
The Utah Eastern Railroad, 1874

The Mormon-owned venture was incorporated as the Utah Eastern Railroad on June 11, 1874. It planned to build from Salt Lake City to Coalville and then through Parley's Canyon to Park City. Two days later on the thirteenth of June, several prominent Salt Lake Gentiles organized the new Salt Lake and Coalville line. This company desired to build on the same route as the Utah Eastern, and a short but bitter contest resulted. In September of the same year, Brigham Young used his considerable influence to intercede on behalf of the Mormon group and was able to persuade the officers of the rival railroad to withdraw from the contest. However, shortly after receiving a free-hand in the construction on the proposed route, the Utah Eastern was unable to obtain sufficient funding for iron and rolling stock and soon folded. The entire project was dropped until the end of the decade when the Utah Eastern was temporarily resurrected. At the same time even the seemingly stable Utah Central experienced severe troubles.

"The Coal War of 1874" and Continuance of the Union Pacific Monopoly

Beginning in June of 1874 the Union Pacific again exercised its monopolistic hold on Utah by raising the freight rate on coal shipped between Echo and Ogden. The previous rate of $1.50 per ton had been

34 Ibid., pp. 331-32. See also Salt Lake Tribune, 10 September 1874.
tolerable to most people, but the new charge of $3.76 per ton was a shattering blow. The economy of Coalville was particularly hard-hit by the new rates. The Salt Lake Herald charged that the Union Pacific was "robbing" Coalville of five hundred dollars a day in fuel sales. In retaliation and as a sign of support for the local cause, the Utah Central refused to accept U. P. coal at Ogden for transshipment to Salt Lake City. The entire situation caused one prominent Salt Laker, John Morgan, to editorialize on "the helpless condition of the entire city" due to the high fuel prices brought on by the "rapacity of the railroad monopolists." 

In the face of the united front presented to them from Mormons and Gentiles alike, and pressure from industrial circles and the Utah Central, the Union Pacific relented. The "coal war of 1874" ended in August when the U. P. lowered the rate from Echo to Ogden to $1.75 per ton. The lowered rate marked the return of Summit County coal to the Salt Lake market and the people of Utah claimed a joyous victory.

The Union Pacific still remained in a very strategic position in the Utah coal trade. It owned low-cost, high quality coal mines in Wyoming, and the connecting railroad, and it owned the road from Echo to Ogden as well, without the use of which the Summit County Railroad would be nearly useless. By the exercise of its rate-setting powers

35 The Herald, 3 July 1874.
36 The Herald, 22 July 1874.
37 Reeder, "Utah's Railroads," p. 335.
the Union Pacific controlled the quantity and price of coal in Ogden and Salt Lake City. 38

By 1875, it was all too apparent to Brigham Young that the struggle against the Union Pacific was going poorly. The Utah Central was suffering financially, forcing Young to finally sell the line to the Union Pacific for the reported sum of $250,000. The Summit County Railroad was also in bad condition monetarily, and had defaulted on its bonds in January 1875. Controlling interest in the road was soon obtained by the Union Pacific, and the decline continued until 1880 when the U. P. gained complete control of the company. 39

With the entire line of transportation in its hands, the Union Pacific soon returned to its earlier stringent controls. By the end of 1876 they adopted a policy of utilizing coal cars almost exclusively to haul their own Wyoming coal. The Summit County coal was allotted the few remaining cars, which was only enough to haul one-third of the output of the Coalville mines. As a result, production had to be cut back at the mines and over two-hundred miners laid off. The people of Coalville suffered severe economic hardships, and at the same time the residents of the capital city suffered from high prices and a low supply of fuel. As the situation worsened, the Salt Lake newspapers were filled with reports on hardships in Coalville and Salt Lake as well as continual attacks on the Union Pacific. As the contemporary papers revealed, the coal famine and the resultant "battle" against

39 Ibid., p. 43.
the Union Pacific stood large in the minds of most of the residents of the Salt Lake Valley and the rest of the territory.
The Coal Situation in Salt Lake City

During the winter of 1872-73 in Salt Lake City the coal situation was considered to be very severe. It was reported by the Deseret News the following October that "a portion of last winter many of the people were put to great inconvenience and some even suffered considerable distress" from the coal shortage. 40 One of the main topics of discussion at the meetings of the Latter-day Saint bishops in Salt Lake City had been the problems that the high fuel prices were causing for the poorer people. 41

The less-fortunate could not afford to buy large quantities of coal at one time, and so in the winter many tried to purchase smaller amounts whenever possible. 42 The Union Pacific did not favor sales of small quantities of fuel, but many local merchants sold it that way to their customers. One prominent Salt Lake businessman, George Nebeker often sold in orders of 150 to 500 pounds of coal at a time. Most of the coal was sold on credit, with whatever small amount of down payment that the buyer could afford. 43

40 Deseret News, 29 October 1873.
41 Deseret News, 22 November 1872.
42 Deseret News, 29 October 1873.
43 George Nebeker Account Books, 1873-74 and 1875-76.
During the winter months Nebeker dealt in both coal and timber for fuel. Wood was considerably cheaper at $5.00 to $8.00 per ton (coal sold for about $20.00 per ton), but most people preferred coal because it lasted longer and provided better heat. During the colder months Nebeker usually purchased over 800 tons of coal per month for resale to his customers. 44

Even though the Union Pacific had levied lower rates during the winter of 1873-74, by the summer of that year outbursts against the company appeared regularly in the Salt Lake papers. Most Salt Lakers felt that it was high time they were made free of "a whimsical and apparently unscrupulous railroad company for one of the necessities of life." 45

Coal had steadily become one of the greatest "necessities" for the capital city. John Morgan pointed out in July of 1874 that during the past year over 4,800 carloads of coal had been shipped into Salt Lake City, with the average weight being ten tons per car. 46 In fact, over 3,000 tons more of coal than the next closest freight item had been shipped in during that year. 47 With coal being such a lucrative commodity, the Union Pacific continued to use every method possible to keep the trade under their control. With the means of transportation

44 Ibid.
45 Deseret News, 15 July 1874.
46 The Herald, 22 July 1874.
47 Kate B. Carter, Utah's Railroads (Salt Lake City: Daughters of the Utah Pioneers, 1966), p. 144.
firmly under their watchful guidance by 1874, the company next turned its attention to the mines and coal dealers of Utah.

The U. P. began to cut-off sales of small quantities of coal to the smaller Salt Lake dealers by the summer of 1874. This move led one Salt Lake coal merchant to lament that "rich and poor alike are held in the vice-like grip of these greedy cormorants" who sought only to enrich themselves. 48 However, the worst suffering at this new move by the U. P. to strengthen itself was felt by the people of Coalville.

The Situation in Coalville

Due to the reduction in coal shipments, the economy of Coalville was decimated. During the month of February 1876, over two-thirds of the community's residents were unemployed because the Union Pacific refused to supply railroad cars to ship their coal to Salt Lake and Ogden. 49 In that same month a town meeting was held in Coalville to protest a Union Pacific announcement that no coal would be shipped from Echo for thirty days. The reason given by the U. P. for the curtailment of the transportation was that all their cars were needed to ship coal from their own Rock Springs' mines. However, the people of Summit County charged the railroad with attempting to force them out of the coal business. They further accused the Union Pacific of trying to force their own coal on the people of the territory "knowing that the

48 The Herald, 16 July 1874.
49 Deseret Evening News, 24 March 1876.
consumers will be compelled to purchase from them then there is no other coal on the market." 50

The "freeze out" of the Coalville mines continued through 1876, and in November of that year the Coalville residents again met to protest the policy of the "hydra-headed monster monopoly of the U.P.R.R. Co." 51 During the next month the Union Pacific strengthened its monopoly of the coal trade when it purchased not only the controlling interest of the Summit County Railroad but also the church-owned mines at Chalk Creek. They then forced the independent Coalville mine owners into a contract by threatening permanent closure of the Summit County line. The contract stipulated that the Union Pacific would purchase all the coal produced in Summit County, but the area mine owners could not sell to anyone but the railroad. Once the contract had been signed the U. P. regularly decreased the number of cars available to ship Coalville coal, claiming that there was a shortage of cars. 52 By the spring of 1878 the coal trade, which was the lifeblood of Coalville, was "virtually extinguished." 53 By that summer the Union Pacific was allowing only enough cars to carry about fifty tons of coal a week from the mines in the area, 54 thus their own mines profited greatly from the situation. This action not only brought on an economic depression

50 Deseret News, 28 February 1876.
51 Deseret Evening News, 28 November 1876.
53 Deseret News, 4 April 1878.
which crippled Summit County, but caused a renewal of the fuel crisis in Salt Lake City as well.

As the situation worsened in Salt Lake City, the Union Pacific came under attack from all sides. In March of 1880, the coal dealers of Salt Lake City pointed out that they had always been willing to sell coal in small amounts (50-100 pounds) for the sake of the needy. However, they claimed that this was now impossible due to the high prices they were forced to pay for Union Pacific coal. They charged that Abram Gould, the Salt Lake agent for the Union Pacific coal mines, had exclusive control of coal traffic into the city and that the entire supply of fuel was based on his whims. The retail dealers then petitioned Gould for more coal and lower prices. At first the agent refused their request altogether, but then relented and agreed to ship coal in smaller quantities. However, some of the poorer people could not even afford to purchase amounts as small as 250 pounds at one time.

By the end of 1880 a coal famine had struck Salt Lake City. The Union Pacific shipped insufficient quantities of fuel into the city and charged exceedingly high prices for their product. This shortage caused general dissatisfaction in the city due to the approach of winter. The Deseret News charged that the Union Pacific seemed disposed to "squeeze" Salt Lake City on the coal question regardless of the outcome to the local people. The papers and the public again began to

56 Deseret Evening News, 13 March 1880.
57 Deseret News, 20 October 1880.
advocate the construction of another railroad to offer competition to the Union Pacific's monopoly.
The Final Local Railroad Attempt Unfolds

As complaints about the local fuel prices increased, some prominent Salt Lake businessmen, Mormon and non-Mormon, again contemplated constructing a rail line to link the capital city with the coal mines of Summit County. Early in December of 1879, a bill was passed in the Utah legislature that authorized Salt Lake, Davis, Summit and Tooele counties to issue bonds for the construction of a railroad from Coalville to Salt Lake City. This bill was vetoed by Governor George B. Emery, but the private interests soon stepped in to begin construction. Later in that same month the Utah Eastern Railroad Company was incorporated in Salt Lake City.

The new corporation proposed to build a narrow-gauge line from Salt Lake City up Emigration or Parley's Canyon, across Parley's Park to the head of East Canyon, then across to the head of Silver Creek Canyon and to Park City. From Park City the road would then run down Silver Creek to Wanship and down the Weber River to Coalville—a total distance of approximately fifty miles. The project was led by the Presiding Bishopric of the L. D. S. church and the Ontario Mining Company of Park City.


In order to insure that the Union Pacific could not buy up controlling interest in the venture, the stockholders elected three trustees in whose hands the majority stock was placed. Stock was to be inalienable for a period of fifteen years—that is, the stock could be sold but would still be subject to control of the trustees for voting purposes. Two of the appointed trustees, John J. Winder and Leonard Hardy, were members of the Presiding Bishop's Office. The third trustee was Fred Auerbach, a Jewish businessman from Salt Lake.

By this arrangement the company not only helped to keep stock out of Union Pacific control, but had allied the Mormon and Gentile interests in the railroad.

No other local railroad had aroused so much public enthusiasm and media attention as did the Utah Eastern. Editorials and letters to the press constantly extolled its virtues. Both the Deseret News and the Salt Lake Herald, each having done much to keep the "coal road" issue alive, carried numerous editorials urging support of the Utah Eastern. The journalists and the public tended to charge the Union Pacific with full responsibility for the low quantity and high price of coal. Therefore, the Utah Eastern was hailed as the new protector of the peoples' well-being.

The newspaper editorials of the time also strongly attacked the Union Pacific with the accusations that:

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61 Arrington, "Coal Road," p. 46.
62 Ibid., pp. 46-47.
1. When the need for coal was the greatest, the supply was always the least.

2. The price of coal was altogether too high. The Union Pacific was "obviously" making a much greater profit than was necessary and the price should be reduced.

3. It had caused the people of Salt Lake City a great degree of insecurity to be subject to the whims of the monopoly. John R. Winder wrote that the road had to be built so that thirty thousand people would not be subject to one man or one company.

4. That Utah money should be kept at home and local industries supported. It was estimated that 70,000 tons of coal was consumed annually by the residents of Salt Lake City and that over a half a million dollars was leaving the territory in Union Pacific pockets.

To gain financial backing for the road, the management decided to price the $100.00 shares at $50.00, payable in ten-dollar monthly installments. During the fund-raising campaign the Salt Lake newspapers and local leaders stressed the "public" nature of the road—it was to be the peoples' road to benefit the entire community. The editor of the Herald pointed out that the Utah Eastern was not devised as a money-making scheme, but was to be built solely for the purpose of "breaking a monopoly which is sorely oppressing the people."

The appeals of the bishops, newspapers and businessmen made it possible for the Utah Eastern to begin construction by the fall of 1880.

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63 Ibid., pp. 48-49.
64 The Herald, 20 June 1880.
The first track of the new road was laid on November 5, 1880, and by December 10 track had been laid to within two miles of Park City. While the fund-raising campaign had failed to net enough for iron purchases, the Ontario Mining Company had provided the cash for rails and rolling stock. In return, the mining company had been given the mortgage bonds to the Utah Eastern.  

**Conflict Between the Union Pacific and Utah Eastern**

The Union Pacific did not stand idly by as the Utahns schemed to put an end to their monopoly. The U. P. proceeded to construct a line between Coalville and Park City that ran parallel to that of the Utah Eastern in an attempt to drive the new line out of business by competing with them for control of the road. With other lines available to keep its income high, the Union Pacific could force the Utah Eastern out of the market by under-pricing their services. By its recent acquisition of the Summit County Railroad, the Union Pacific legally held the right-of-way to the land exactly parallel to the Utah Eastern roadbed. The plan of the Union Pacific was to construct a direct self-owned line from the silver mines of Park City through to the coal mines of Summit County and then on into Ogden and Salt Lake City. With the control of the Utah Central and the Summit County Railroads already in their hands, the only link of the plan left to complete was the line from Coalville to Park City. When this had been achieved, they would have full control of the northern Utah transportation market.

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66 Arrington, "Coal Road," p. 50.
However, the new road refused to be bullied by the stronger monopoly and did not back down. As the Herald editorialized: "To give up now would be to fasten the chains tighter upon the country, for the Union Pacific has only to block the way to Coalville, when it will have Salt Lake perpetually at its mercy in the matter of coal prices."  

The contest between the Utah Eastern and the U. P. line developed into a bitter race to Park City. The Union Pacific got a late start on its competitor, but soon made up time because it was able to more easily secure iron for rails. The owners of the Utah Eastern charged the U. P. with establishing exorbitant prices to ship their iron from Ogden to the tracks-end at Coalville. However, the upstart road reached Park City first, with the Union Pacific arriving about a month later. The U. P. incorporated their new line on January 17, 1881 and christened it the Echo and Park City Railway Company. The following spring the U. P. transferred all stock and equipment from the Summit County Railroad to the control of the Echo and Park City Railway.  

The Utah Eastern had a very successful first year, always running at near-capacity and paying its own way entirely. During the three years from December 1880 to December 1883, the Utah Eastern earned $179,056.00, over half of which was earned by supplying the Ontario mining concern with coal. The developments were in progress however, by

67 The Herald, 20 June 1880.
68 Arrington, "Coal Road," p. 54.
69 Ibid., p. 55.
70 Ibid., p. 55.
which the Union Pacific would regain firm control of the coal trade for a few more years.

The Collapse of the Utah Eastern

The Ontario Mining Company had slowly gained more and more control of the Utah Eastern due to the stock it held and its control of the mortgage bonds it had obtained as collateral for the earlier loan for iron. When stock sales had been low and capital was in great demand, Robert Chambers, who acted as president of the Utah Eastern as well as superintendent of the mining company, bonded the second mortgage of the road to J. B. Haggin, the president of Ontario Mining Company. Haggin agreed to buy $186,000.00 worth of bonds in exchange for a stock "bonus" sufficient to give him control of the Utah Eastern. Unknown to the other stockholders, Chambers agreed to this arrangement which gave Haggin a larger share of stock than the previously-appointed trustees controlled. This transfer actually gave Haggin more stock than all the other stockholders put together. In the fall of 1883 the Union Pacific acquired the Utah Eastern bonds from Haggin and prepared to assume control of the road. At a meeting of the stockholders in November of 1883, the Union Pacific surprised the other investors by presenting its controlling stock and elected its own representatives to the board of directors, placed its own people in charge of management and removed the company's books to its offices in Omaha. Shortly thereafter the Utah Eastern was shut down and its rolling stock

71 Ibid., p. 56.
transferred to the Utah and Northern Railroad, another U. P. subsidiary. The people of Utah were shocked and dismayed at the disastrous turn of events. Many people perhaps reflected on a Deseret News editorial of 1882 which had assailed the Union Pacific monopoly by charging that if "this kind of thing goes on it will only be necessary to change the name of this section of the country to U. P. instead of U. T. [Utah Territory]." However the final end to the Union Pacific monopoly soon appeared on the horizon.

72 Deseret News, 15 April 1882.
ENTRANCE OF THE DENVER AND RIO GRANDE WESTERN

Successful Competition from the Outside Arrives

By March 1881, the residents of Salt Lake City had been alerted to the possibility of a new road from eastern Utah entering the market to compete against the Union Pacific. Local newspapers rumored that the Denver and Rio Grande Western wanted to link Colorado and Utah, and supply the people of the Salt Lake Valley with high-grade coal from the rich new mines of Carbon and Emery counties in eastern Utah. The Herald hailed the Denver and Rio Grande Western as a "blessing" to the development of Utah’s resources. 73

The Salt Lake Board of Trade which directed commercial activities in the valley, actively encouraged the new railroad to enter the valley, and the people soon adopted the Denver and Rio Grande Western as a "home" railroad since it would provide "local" coal from eastern Utah, mined and sold by local men and at lower prices than the U. P. 74

By the summer of 1881 the "Western," as it was popularly called, had merged with two local railroads in central Utah to increase the area it served. The two new divisions were the Sevier Valley Railway and the Pleasant Valley Railway. In December of 1880, William A. Bell had organized the Sevier Valley Railway. Bell was already associated

73 The Herald, 27 July 1881.

with William Jackson Palmer, the builder of the Denver and Rio Grande, and it was the merger of the Sevier Valley line with Palmer's road which actually formed the new Denver and Rio Grande Western. 75

In 1877, Milan Packard of Springville had projected and built the Utah and Pleasant Valley Railroad. Packard tried to get the people of Utah County to assist in the cost of the road and own it and the local coalfields. However, he was never able to obtain local support and was soon forced to sell to outside interests. The railroad turned out to be a huge success and the people of Springville regretted that they had not invested in it. 76

In 1882, the Pleasant Valley line was merged with the Denver and Rio Grande Western, which also acquired the Bingham Canyon and Camp Floyd Railroad and the Jordan Valley Railroad, two small coal railroads, earlier in the same year. 77 The Western was soon basically a compilation of many small mining roads.

A rivalry soon developed between the Denver and Rio Grande Western and the Union Pacific which delighted Utahns because of the competitive prices that resulted. Provo was an especially vocal supporter of the Western because they felt that the Utah Central, by then a subsidiary of the Union Pacific, was charging them exorbitant

75 Ibid., pp. 132-33.

76 Don Carlos Johnson, A Brief History of Springville, Utah (Springville, Utah: William F. Gibson, 1900).

freight rates. 78 The Salt Lake Tribune also was strongly in favor of the Western, stating that "this new route east will be of vast benefit to Utah in opening up competition in transportation, which will bring a reduction in prices." 79

By the summer of 1883, the Western was into Ogden and the Union Pacific and Denver and Rio Grande Western Railroads began to battle furiously for the traffic of Utah. This "rate war" for control of the Utah coal trade, though nearly ruinous to the two companies involved, fulfilled the fondest dreams of the Salt Lake businessmen and eased the fuel situation for the whole Salt Lake Valley. Although the local railroad enterprises had not been able to defeat the "monster monopoly" of the Union Pacific on their own, the arrival of the new Denver and Rio Grande Western was applauded by the people of Utah as a victory over the "self-serving" railroad moguls of Omaha.

79 Salt Lake Tribune, 11 October 1882.
SUMMARY

Many reasons may be detected for the failure of the Utah railroads to compete on a long-term basis with the Union Pacific. One reason was the dependency of Salt Lake City on coal, which was vitally needed every day for use in homes and businesses throughout the valley. While many residents strongly opposed the Union Pacific's monopoly of the coal trade, they simply could not boycott the use of their fuel. Certainly many of the poor people were forced to go without, but the more wealthy merely dug a little deeper into their pockets and paid the price—no matter how high.

Another reason for the failure of the local railroads was a lack of unity among the people of the Salt Lake Valley in their railroad building enterprises. With the exception of the final attempt to construct the Utah Eastern, there was either a Mormon railroad or a Gentile railroad and never a joint venture. Sometimes the lack of unity was spread to Mormons versus Mormons. For example, in the fall of 1880, as the Utah Eastern was bitterly engaged in a construction "war" with the Union Pacific, the Deseret News echoed the opinion of some Mormon church officials that the conflict should be resolved for there was "room for more than one coal road to the heart of Zion."\(^{81}\) Perhaps it was true that there was room for more than one railroad, but it is

\(^{81}\) Deseret Evening News, 17 November 1880.
doubtful that the Union Pacific would have looked at the situation in such a charitable manner and the church leaders were ill-advised to advocate it themselves. However, the leadership of the church had been closely tied to the Union Pacific since the time it entered Utah and held considerable U. P. stock, and there was undoubtedly some financial interest in the U. P. involved in the opinions of some of the church hierarchy.

Still another reason for the shortcomings of the local railroads was found in the oft-occurring problem of a lack of financial backing. It was an inability to meet expenses that allowed the Union Pacific to gain control of the Utah Central and the Summit County Railroads, and in a round-about way the Utah Eastern venture of 1879-1883 as well. While most of the people of Salt Lake City advocated a railroad to compete with the Union Pacific, few seemed to be either desirous or capable of investing in the local roads.

The above-mentioned problems would certainly have been ample to impede most of the local railroad projects even without any intervention from the Union Pacific. While the U. P. was actively involved in attempting to maintain sole control of the trade, the Utah public and the Salt Lake City newspapers painted a picture which blamed the Union Pacific for everything.

The Union Pacific undoubtedly saw a very serious threat to their interests arise out of the local railroad construction. They had invested a great deal of money in Utah on the proddings of Mormon leaders and Salt Lake businessmen, and yet after the desired rail service had been obtained, the people of Utah turned on the Union Pacific for
attempting to make a profit on the coal trade. While the question of what was "morally" right was on the minds of many as countless numbers of people suffered from a lack of fuel, there appears to have been few in Utah who felt that the Union Pacific was justified in seeking a return on its investment. The question of the price of coal and the Union Pacific's "great monopoly" of the Salt Lake coal trade was a source of extreme antagonism between the Utahns and the Union Pacific from 1870 until the mid-1880's. However, as competition from the Denver and Rio Grande Western entered the scene and time healed the old wounds, contempt for the Union Pacific apparently died out. At near the turn of the century, in 1896, H. W. B. Kantner, a Salt Lake resident, wrote that "There has been no greater factor in the development of the manifold mineral resources of this region than the Union Pacific Railroad."82

The question then arises as to whether the Union Pacific was justified in its actions or was a dreadful ogre whose only concern was money. Perhaps the answer is to be found somewhere in-between. At any rate, the Union Pacific cannot be held entirely to blame for the failure of the local railroads, for it was certainly a combination of many factors that led to their demise and not merely the heavy-handed business practices of a single company.

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